recruitment to one per cent of total civilian staff strength, user charges for services provided by the Government and its agencies to be revised keeping in view the increased cost of these services etc. Further with a view to reduce interest burden, most administered interest rates were reduced by 1.5 per cent as of March 1, 2001. Besides, the Fiscal Responsibility and Budget Management Bill, 2000. was introduced in Parliament in December 2000. This Bill includes provisions relating to ceilings on debt, deficit and borrowing.

Government's Advise to UTI on US-64

255. DR. MANMOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government were informed by the management of the UTI before announcing the suspension of selling and repurchase of its flagship scheme US-64 for six months; and

(b) if so, what was the nature of advice given by Government to the UTI?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The then Chairman. Unit Trust of India, informed the Government *vide* a letter dated 30 June, 2001 that the US-64 Scheme had faced substantial redemptions in the months of April and May, 2001 which adversely affected the value of its assets portfolio. As such, UTI management felt that the Trust had two options: (a) to make US-64 NAV based; (b) to temporarily suspend sales and repurchases of units under the Scheme.

The 30 June, 2001 letter from UTI also stated that UTI management would recommend to the Board that it may approve the second option.

(b) Under the UTI Act, UTI is managed by its Board of Trustees. Further, since May 1997 Government had no nominee on the UTI Board.

While Government was mindful of the impact of UTI's decision on investors, particularly small investors, it could not intervene at this late stage since it required examination of issues in their entirety to

come with alternative solutions which would have been possible only after obtaining all the relevant details from UTI.

Investigation into Stock Market Crisis

256. DR. MANMOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether SEBI completed its investigations into events leading to the crisis in the stock markets earlier this year;

(b) if so, the details of the principal findings and recommendations emerging from these investigations; and

(c) the progress made in implementing those recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) SEBI has intimated that the investigations are still in progress.

Complaint against ESSAR Group of Companies

257. SHRI AMAR SINGH:
SHRI RAMA SHANKER KAUSHIK:

Will the Minister of FINANCE be pleased to state:

(a) Whether Government had received any complaint against ESSAR Group of Companies about the mismanagement of funds given to them by the Financial Institutions;

(b) if so, the details thereof;

(c) whether it is a fact that IDBI and ICICI have suffered a loss of Rs. 2,500 crore on account of loan given by them to the ESSAR Group;

(d) if so, what is Government's reaction in this regard;

(e) whether Government had referred case to the Central Vigilance Commission to make necessary enquiry in this regard;

(f) if so, when; and

(g) if not, the reasons therefor?